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C O N F I D E N T I A L MUSCAT 000829

SIPDIS

E.O. 12958: DECL: 12/03/2018

TAGS: EFIN MNUC KNNP IR MU

SUBJECT: JOINT DEMARCHE TO OMAN ON INCREASING FINANCIAL PRESSURE ON IRAN

REF: STATE 127040

Classified By: Ambassador Gary A. Grappo per 1.4 (B and D).

¶1. (C) The ambassadors of the E3 and the U.S. - the Italian was unavailable to participate - called on Ambassador Ahmed al Harthy, Chief of Middle East Affairs of the Omani MFA, and Lyeutha al Mugairy, Director of the MFA Secretary General's Office, to deliver reftel demarche.

¶2. (C) In opening the session, the French ambassador focused her remarks on the disappointing response of Iran to the efforts of the P5 plus 1 to address Iran's nuclear development program. Iranian inaction, she said, was "closing the door on our diplomatic options" for addressing the matter and forcing governments to look at "other options." She cited the IAEA's most recent report on Iran's nuclear program as evidence of Tehran's poor record of cooperation and apparent intent to proceed with a military nuclear program. The Ambassador pointed to recent Iranian public statements about progress in its nuclear program as well as confirmed actions by Iranian banks and industrial manufacturing firms to skirt UNSCRs as further proof that Iran is disregarding the UNSC requirements and the international community's wishes with respect to nuclear weapons development. "We have no sign yet that Iran prefers cooperation to confrontation," the French ambassador added.

¶3. (C) The Ambassador asked that Oman ensure that its banking and customs authorities remain vigilant in ensuring compliance with UNSCRs regarding Iranian financial transactions and our non-proliferation goals. The French and UK ambassadors characterized development and/or investment in Iran's oil and gas sector as another type of action inconsistent with the UNSCRs, specifically referring to Oman's ongoing talks with Iran about a possible gas deal. The UK ambassador proposed that Oman consider introducing language calling for full Iranian compliance with UNSCRs and for acceptance of the P5 plus 1 proposal in the communique of the GCC summit, which Oman hosts at the end of this month.

¶4. (C) Neither Omani official responded specifically to the demarche. However, Ambassador al Harthy reiterated Oman's standing opposition to Iranian weaponization of nuclear technology and support for continued dialog between the P5 plus 1 and Iran. The French ambassador closed the meeting asking that Oman use its well known channels of communication to advise Tehran of our frustration with what has been until now a "one-way" dialog and the need for positive action on the part of the Iranian leadership. Al Harthy promised to inform Oman's foreign minister.

GRAPPO